

A NON-COOPERATIVE APPROACH TO META-BARGAINING THEORY*

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A B S T R A C T

In meta-bargaining theory we consider (two-person) bargaining games and we assume that the agents want to apply two different bargaining situations. A mechanism is a function which assigns to every meta-bargaining game an allocation depending on the two bargaining solutions supported by the agents. In the literature van Damme (cf. [16]) and Chun (cf.[2]) propose two mechanisms. Under both mechanisms there is only one bargaining solution which constitutes a Nash-equilibrium in every non-cooperative game in which agents can choose bargaining solution as strategies and the outcome is determined by the mechanism. We point out some undesirable properties of the mechanisms. By modifying each mechanism we propose new mechanisms yielding the same conclusions as the original mechanisms but avoiding these properties. Furthermore, we offer another modification of Chun's mechanisms for which only the Egalitarian solution constitutes a Nash-equilibrium in every non-cooperative game.

Keywords: Meta bargaining, Nash bargaining solution, non-cooperative approach, mechanisms.